

## UNREPORTED WAGES AND SALARIES

ELEMENT: 311

PI NUMBER: 311-05-01

DATE: March 30, 2005

**SITUATION:** The Sample Month is December, and the quarter is December/January/February. During the QC review process, the reviewer discovers that the household did not report all its earned income on its October QR 7 because it did not report a check received from starting a job in October (the data month for the upcoming quarter)

**QUESTION:** How should the unreported income be budgeted in Comparison I and Comparison II? What if the income was received in one of the other two months?

**RESPONSE:** Per FNS Handbook 310 Section 725 B., the reviewer shall consider "incorrect reporting by the household at the time of the quarterly report" in the variance determination process. In this instance, since the household filed an incorrect report (not all income information was included), the reviewer would count the unreported income in Comparison I and Comparison II.

Since Section 725 B. specifies that reporting "at the time of the quarterly report" as the timeframe for determining whether information is included or excluded in the variance determination, information that is not required to be reported outside of the quarterly report would not be considered in the error determination process. Therefore, in this example, if employment started in November or December, that income would not be considered even if reported but not acted on.

**NOTE:** This response is based upon certification and QC policies and procedures in effect as of the date listed above.